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SUBJECT: IMMIGRATION IN SPAIN: THE END OF EL DORADO?

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MADRID 00000373 001.2 OF 002

[1](#)1. (U) Summary. According to several Spanish sources, Spain in recent years has received the second largest number of immigrants in the world after the U.S. During Spain's construction boom, this labor influx proved to be an important asset. However, as Spain's economy slows, and unemployment levels increase, more and more Spaniards are giving voice to concerns about immigration and what they believe are its potential negative effects on the economy. The March 9 election campaigns drew on this concern, with immigration becoming a major theme. As the economy continues to soften, this is an issue that will gain in prominence for the average Spaniard. End Summary

Immigration Boom

[1](#)2. (U) Over the past 10 years, Spain experienced an immigration boom, opening its doors to what is now 5 million immigrants or a little over 10 percent of Spain's population. The immigrant community is comprised primarily of those from Morocco, Romania and Latin America (Ecuador, Colombia, and Peru). The growth in the past three years has been even more striking with Ministry of Labor statistics showing that 3.2 million immigrants took part in Spain's labor market in 2007 compared with 500,000 in 2004. Local experts point to Spain's geographical position as the door to Europe, its generous social safety net policies (legal and illegal immigrants have full access to public health care and education), and its more lenient immigration policy as factors behind this heavy increase. Zapatero's decision to provide amnesty to 600,000-700,000 illegal immigrants in 2005 is also credited with encouraging immigration.

[1](#)3. (U) The sudden availability of inexpensive labor proved to be a boon for Spain during its housing construction high point. The influx of immigrants fueled a sector which at one point represented 18% of GDP. According to INE statistics, 99% of the construction employment generated in the Madrid region was held by immigrants. The influx also propped up Spain's population growth in the face of a fertility rate below the replacement level. In late 2006, the GOS reported that immigration had sparked a 40 percent growth in Spain's economy between 2000 and 2006. Of the 687,500 new jobs created in 2006, two-thirds were filled by immigrants.

14. (U) Spain's residential construction boom reached its end in the summer of 2007, affecting the sector in which up to a quarter of all immigrants are employed. Overall unemployment increased to 2.3 million in February 2008 according to the Ministry of Labor, pushing the unemployment rate to somewhere between 8.6 and 8.8 percent, up from 8 percent in the third quarter of 2007. Unemployment estimates for immigrant workers vary, but the Ministry of Labor and the National Statistics Institute's labor market survey agree that immigrant worker unemployment increased 24 percent in 2007 from the year before and represents 11% of total unemployment. Media reports have drawn attention to this growing problem, highlighting the increasing number of immigrants on Spain's unemployment rolls. According to recent State Public Employment Service (formerly INEM, National Institute of Employment) statistics there was a sixty percent increase in unemployment payments to immigrants in January compared with a year before.

15. (U) In prior years, public opinion has been favorable towards immigration. According to polls taken a year ago, Spain had the highest favorable opinion of immigration of all Western European nations (ref A). However, the fear that a continued inflow of immigrants will exacerbate the unemployment situation is made real by recent Ministry of Labor statistics. According to these statistics, Spain is still experiencing job growth, but the increasing number of entrants into the labor market (mostly immigrants) is greater than the market can sustain - resulting in higher levels of unemployment overall.

16. (U) These concerns were highlighted during the election

MADRID 00000373 002.2 OF 002

campaigns this past March (ref B). Opposition Partido Popular presidential candidate Mariano Rajoy proposed a hard line plan against immigration - including facilitating the return to their country of origin of those immigrants not finding employment within a month, and requiring immigrants to learn Spanish "customs". This plan struck a chord with many Spaniards.

17. (U) Although President Zapatero's campaign position was to highlight the value of diversity and immigrants to Spain, his electoral plan nonetheless was geared towards tightening Spain's borders against illegal immigration. PSOE's "Programa Electoral" of 2008 included a four-year plan to improve border control, bolster the effectiveness of the Guardia Civil and National Police against illegal immigrants, improve cooperation between Spain, the EU institutions, and the immigrant countries of origin or transit countries, and strengthen the process for deporting illegal immigrants.

18. (U) The government has also been looking at ways to address increasing levels of unemployment. The GOS recently announced efforts to work with labor unions and business associations to develop employment stimulus measures, particularly for lower-skilled workers. These measures would include incentives to spur training in an effort to increase skill-set levels. These efforts are in the planning stages, and it remains to be seen what effect, if any, they will have on immigrant workers. In recent conversations, Ministry of Labor officials have agreed that immigrant laborers generally possess few skills which are difficult to transfer to other areas should job loss occur.

Conclusion

19. (U) Immigration is a fairly recent phenomenon for Spain,

and the country has changed rapidly from a homogenous country to a country with a significant level of diversity. We may not see any drastic immigration policy changes during the current administration. However, any increase in unemployment in the upcoming months will continue to push the theme to the political forefront.

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